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Forty-sixth session
Items 50, 51, 52, 53, 60 (a) and (i)
and 70 of the preliminary list*

IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION 45/48 CONCERNING THE SIGNATURE AND RATIFICATION OF ADDITIONAL PROTOCOL I OF THE TREATY FOR THE PROHIBITION OF NUCLEAR WEAPONS IN LATIN AMERICA AND THE CARIBBEAN (TREATY OF TLATELOLCO)

CESSATION OF ALL NUCLEAR-TEST EXPLOSIONS

AMENDMENT OF THE TREATY BANNING NUCLEAR WEAPON TESTS IN THE ATMOSPHERE, IN OUTER SPACE AND UNDER WATER

URGENT NEED FOR A COMPREHENSIVE NUCLEAR-TEST-BAN TREATY

GENERAL AND COMPLETE DISARMAMENT

NOTIFICATION OF NUCLEAR TESTS

PROHIBITION OF THE DUMPING OF RADIOACTIVE WASTES

EFFECTS OF ATOMIC RADIATION

Letter dated 24 June 1991 from the representatives of Chile, Colombia, Ecuador and Peru to the United Nations addressed to the Secretary-General

On behalf of the members of the Permanent Commission for the South Pacific, we have the honour to request that the attached statement, which was issued by the Secretariat of the Commission on 14 June 1991, be circulated as an official document of the General Assembly under items 50, 51, 52, 53, 60 (a) and (i) and 70 of the agenda of the forty-sixth session.

* A/46/50.

Reaffirming the views set forth in their previous communications of 15 June, 9 and 11 July, and 21 and 28 November 1990, and 9 and 28 May 1991, the members of the Permanent Commission for the South Pacific reiterate their deep concern at, and vigorous objections to, France's continuation of the nuclear explosions, for they pose a serious threat to the marine environment and to life itself in the Pacific Basin.

(Signed) Pedro URIARTE
Counsellor
Chargé d'affaires a.i.
Permanent Mission of Chile
to the United Nations

(Signed) Fernando CEPEDA
Ambassador
Permanent Representative of
Colombia to the United Nations

(Signed) Abelardo POSSO
Minister
Deputy Permanent Representative of
Ecuador to the United Nations
Chargé d'affaires a.i.

(Signed) Ricardo LUNA
Ambassador
Permanent Representative of
Peru to the United Nations

ANNEX

Statement issued at Santiago on 17 June 1991 by the Permanent Commission for the South Pacific

On 14 June 1991, France carried out another nuclear explosion in the Polynesian archipelago, the fourth since it resumed such testing on 7 May 1991, as announced by the authorities of that European nation.

In the light of that announcement, it is the duty of this Secretariat - in fulfilment of its mandate from the Ministers for Foreign Affairs of the countries of the regional maritime system of the South-East Pacific (Chile, Colombia, Ecuador and Peru), and from the Permanent Commission itself - to place on record, once again, its deep concern at, and vigorous objections to, the continuation of such nuclear explosions in the Pacific Basin.

Like the statements formulated by the Secretariat of the Commission whenever it has learned of such explosions, this statement is based on member States' common and coordinated policy for the protection of the marine environment, and their consequent rejection of, and categorical opposition to, such experiments, because of the serious threat which they pose to the marine environment, marine resources and life itself in the Pacific Basin.

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Item 97 of the preliminary list*

NARCOTIC DRUGS

Letter dated 26 June 1991 from the Permanent Representative of Venezuela to the United Nations addressed to the Secretary-General

I have the honour to transmit to you herewith the text of a message delivered by the President of the Republic of Venezuela, Mr. Carlos Andrés Pérez, entitled "National commitment to combat drugs", to mark the celebration, on 26 June, of the International Day against Drug Abuse and Illicit Trafficking (see annex).

Accordingly, I should be grateful if you would have this letter and its annex circulated as an official document of the General Assembly under item 97 of the preliminary list.

(Signed) Diego ARRIA
Ambassador
Permanent Representative

* A/46/50.

ANNEX

Address delivered by the President of Venezuela
in Caracas on 21 June 1991

Citizens of Venezuela,

We are today participating in an event which is fundamental for the institutional life of the country. I am here to propose a national commitment to combat drug trafficking and consumption.

Today drugs constitute the broadest and most powerful criminal organization that the world has ever seen. Drug trafficking has given rise to a phenomenon of immense and complex proportions which has altered the conduct of present-day society.

No area of social life has been able to withstand the penetrative force of this curse of modern times, nor are there any values or behaviours which have not been changed by it to some degree.

The consumption of and trafficking in drugs today constitute a political, economic and social phenomenon whose repercussions are felt both privately, in the ordinary personal tragedy of the consumer and publicly at the macroeconomic and macropolitical levels of modern societies, not only in the countries where drugs are cultivated, but also in those which serve as a channel for the criminal traffic and in those where drugs are consumed.

The dimension of this problem is beyond measure. Present-day society is reeling under the impact of the criminal drug network which is changing the very ways in which the State operates. It is infiltrating silently throughout the entire fabric of society. Unless we put a stop to this disease which is eating away like a cancer at structures and institutions, we cannot predict what may occur, but it will surely be disastrous for mankind.

This is not an exaggerated claim arising out of the justifiable alarm with which drugs are viewed. It is clear that drugs can alter a country's economic structures, that their sales potential is completely without precedent and that the earning potential of drugs surpasses that of any private or public enterprise; all this is combining to create conditions which could lead to society being organized along lines different from those stemming from its own effort, bringing about a fundamental change in the values which go to make up a productive and hardworking institution or, to put it bluntly and dramatically, the disintegration of society through the destruction of its stru tural matrix, youth.

The State is besieged on two sides. Its institutions and officials are inexorably on the horns of the disastrous dilemma of traffickers' bribes on the one hand, and their threats on the other. This situation leads to serious

distortions on the part of both the corrupted, who endanger the aims of the State, and the threatened, who feel compelled to neglect or relinquish their responsibilities.

But another type of distortion of equal importance also arises. The State undergoes an inevitable extension of its security systems, its intelligence apparatus and its police work, in both prevention and control. Such measures become unavoidable, which is a tragedy for our societies, because the resources saved from limiting the arms race must be allocated to combat drugs - resources which, under other conditions, could be used for the immediate improvement of the population's standard of living.

Drugs are more than a criminal offence. Drugs are the manifestation of a criminal network which involves various phases and perpetrators, all the way from cultivation to consumption. Perversely enough, drugs are the most transnationalized and integrated activity known to mankind. Drugs exert their influence on the will-power of ordinary people and governing circles; they instil hitherto unknown desires in men and women of the modern age; they erode the conventional boundaries and mechanisms of control and security. Drugs are, in these times, the fundamental enemy of humanity.

To characterize the drama in these orders of magnitude is not an exaggeration. Unquestionably, the world knows and has known other scourges - the arms race, epidemics, nuclear weapons and AIDS, to name a few. But none has ever constituted a threat of the global magnitude which this abominable criminal activity has now assumed. In the face of all the horrendous calamities the world has suffered, there was a clear determination on the part of governing sectors and of peoples. Such disasters were confronted as problems to be overcome or as enemies to be defeated. Drugs are a different matter because, with their vast economic potential and the upheaval in contemporary society, they affect the behaviour and morale of those who must lead the fight against them.

Drugs must be fought with weapons and methods other than those with which nations have waged conventional battles. A world war must be declared on drug trafficking. This is neither a euphemism nor a means of exaggerating the challenge.

When we speak of declaring war, we mean exactly that: using all of the country's political, economic, military, institutional, police, educational and cultural capacity to eradicate this scourge and to deter those who may be tempted to fall into its trap. This requires, above all, a genuine political will on the part of Governments and the basic institutions of society.

The State must make use of every means at its disposal in fighting this war, which means that the Government must pursue policies in the areas of prevention and punishment. Equally the other branches of the Government must act within their respective domains. As Head of State I call upon the legislature to remodel the relevant legislation and upon the judiciary to establish machinery for the most severe punishment of those involved in any

stage of such abominable criminal conspiracies and to guard against any temptation which may present itself to its members.

It would, however, be a serious error to think that this war concerns only the State and the Government. No war, least of all this one, can be won without the involvement of society as a whole imbued with a sense of moral purpose and a firm belief in what it is doing.

Venezuelan society must organize to fight in this war. It is not enough for each family to close in upon itself in the naive hope that the children will thus be protected. Sadly, it is not that way. Just around the corner, on the street or at school, this menace can loom over the child or youth, rendering all attempts at seclusion futile. We must take to the streets to confront the problem of drugs. The State as a whole, and we in the Government in particular, must be in the forefront of these battles so that the citizen can take heart and join the fight.

The war is being fought at home and at school, at work in the work place and at play in moments of relaxation, young and old, rich and poor, in an all-out battle for the dignity and salvation of our nation.

My fellow citizens may well ask how we can engage in such a major confrontation when we are so divided, one against the other, when we live in a time when our traditional sense of brotherly togetherness seems to have been lost.

No one can deny that we are living in difficult times, but it is times such as these that pose great challenges to peoples at the major crossroads of history. Venezuela must unite, as unite it can, to fight this war. In this firm belief I call upon everyone in the country without reservation, friends and adversaries, Venezuelans and foreigners, civilians and members of the armed forces, young and old, businessmen and workers, to join this day in a battle which will go down in history to the honour of this generation.

I call the country to a war against trafficking in and the use of drugs, both together, with the same urgency, to save our children from harm, to save our present and future from jeopardy, so that the face of a Venezuela bent on fulfilling its destiny may not be shadowed by the grimace of degradation, in the most forthright expression of our complete solidarity.

Venezuela's position in terms of the problem of drugs is terribly difficult, since it is a country whose main problem would appear to be that it has come to be a base for operations, a centre for the storage and warehousing of huge quantities of drugs, specifically cocaine, for shipment to the final destination of the major consumption centres of the United States of America and Europe.

The situation is being magnified as a result of the strong pressure exerted on traffickers in neighbouring countries, especially Colombia, which has borne the full brunt of drug trafficking but now fortunately seems to be overcoming it - at a very high cost in terms of suffering and disruptions of all kinds, which should serve as both a lesson and a warning to us.

In Venezuela the problem has become so serious that it is not to be disguised. We are no longer simply a country constituting a link in a chain, but have become an operational base. The spreading tentacles of this new criminal society are responsible for the dismaying appearance on the scene of instances of complicity, which seem inexplicable in the context of our traditional way of seeing things.

The fact that individuals connected with the elites constituting Venezuela's leadership - whether in the economic, political, military, parliamentary or religious fields - have been involved in these criminal activities shows that the problem is serious indeed, and that the intention is to penetrate all spheres where Venezuelan society can be controlled. Fortunately, however, that fact also shows that such instances of complicity involve single individuals and can be confined to individuals, that the catastrophic situation can be brought to an end and that institutions must be vigilant because the long, cunning arm of crime is lying in wait.

I am not calling on the Venezuelan people to develop or to remain in a collective paranoia that would make them suspicious of everyone and everything. But I do urge them to maintain a prudent level of vigilance, which will enable Venezuela to prevent the curse in question from spreading and to reject what has already penetrated Venezuela's - until recently - weak barriers.

In 1980, 85,000 kilograms of cocaine were seized. In 1991, 10 times as much has been seized so far - 833,000 kilograms. This shows that there has been an amazing increase, even though measures to control trafficking in cocaine have become considerably more effective.

Crops have been eradicated. Over the past two-and-one-half years approximately 1.2 million plants, over 2,500 kilograms of seeds and 60,000 kilograms of dry marijuana have been disposed of.

Approximately 9,000 arrests have been made for offences involving possession of drugs over the past 18 months, which reveals just how serious the problem is. Seventy-two per cent of the people arrested have been adults and 28 per cent have been under 18 years old. Eighty-five per cent of the people arrested are men and 15 per cent women, which probably indicates that women are a basic factor - as mothers and wives - in the battle that has been joined.

As a nation that is new to the role of victim of the traffickers' furious onslaught, we Venezuelans have ourselves made mistakes that must be corrected. We have often placed more emphasis on overt action to deal with

the final manifestations of criminal networks, without making a serious effort to build a national awareness of and involve the entire population in the concerted action that we must take; we must not only focus on the consumption or transport of drugs, but must also deploy our intelligence resources in order to penetrate networks and dismantle them. We must also alert the nation to the terrible danger that we are in.

It is only fair to say that our armed forces and police have dealt crushing and memorable blows on the international traffic in cocaine, despite the fact that they have only recently joined this battle.

This intelligence campaign must focus on identifying and capturing the leaders of the national and international drug cartels, whoever they may be. The recent arrest of a prominent politician from the ruling party serves as a categorical example of the Government's action on this issue.

Another mistake of ours is that the efforts of the world's police forces and of our own armed forces and national security forces are dispersed. This dispersal is the best ally of drug traffickers. We have stepped up cooperation at the international level, particularly with the United States Drug Enforcement Agency and the military and police authorities of Colombia. At the national level, I have issued clear instructions to the Ministers of the interior, defence and justice and the President of the National Commission against Drug Use (CONACUID) to establish a unified command to combat the traffic in narcotic drugs. And now, with the entry into force of the law ratifying the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, we shall contribute to the international coordination effort to the fullest extent possible.

Our objective is to get to the root of the problem rather than dwell on its most blatant manifestations. We must find those who lead, finance and promote drug trafficking, as well as the money launderers - all those who have a role in this degradation of society, who are themselves degraded by the unstable trade in which they are engaged. We must ensure that our country - and the criminals too - know that there cannot and shall not be any political or social accommodations, misunderstandings or collusion of any kind. They must know that this is a real war, and that I am leading a war which Venezuela is waging to protect its future.

We are taking action in Venezuela and Latin America. We cannot forget that in Bolivia and Peru coca cultivation is tied to ancestral traditions and to the urgent needs of a poor and impoverished rural population. Accordingly, the solution cannot depend solely on the police or the military, it must also have a social component. Otherwise, eradication of this disease will be purely makeshift.

It is not true that we Latin Americans are responsible for this crime against humanity. Neither are the major consumers who finance and buy drugs and create the market. However, there can be no doubt that the huge markets and major sources of financing are at the heart of the problem, and that it is only by bearing this in mind that an answer could be found to the age-old

question as to who is the more guilty, he who sins by paying or he who pays to sin. Our answer to this question - joking apart and without the slightest cynicism or ethical impropriety - is that the more guilty is the one who pays to sin.

I am stressing this aspect of the criminal complex of drug trafficking in order to underscore how vast its ramifications and implications are. The countries where there is a demand for drugs must adopt firm measures, for without such measures all our efforts will prove inadequate, if not futile.

I wish to reiterate this very forcefully. This is an educational and cultural problem, a problem involving the values and goals of young people in countries where drug use is highest and on the rise. Our countries too have this problem. It is an educational and cultural problem and, I would also add, of information, for we need information if we are to launch a frontal attack on drugs, our main enemy now and in the future. We cannot be called upon to maintain a permanent state of siege in our countries in order to combat drugs while the major consumer countries fail to come to grips with their own problems. An effective battle cannot be waged so long as the North does not try as hard as the South.

Accordingly, one of the key components of our efforts to bring about integration, within both regional and subregional blocs, particularly in Latin America, must be the fight against drug trafficking and drug abuse.

This criminal activity of tragic proportions is perhaps a concrete reminder to all Latin Americans that we must understand once and for all that no problem and no evil can be overcome without the combined efforts of all who live in this region. And the United States must understand that, while we are staunch allies, we are opposed to any attempts to subordinate us or to elicit unilateral cooperation.

Institutions damaged by the impact of drugs and the struggle to restore society's credibility in its leadership, which is severely compromised when a leader is found to be involved in this nefarious activity, can recuperate only to the extent that we come to grips with this situation bravely and without compromise.

We are not claiming that the only battle front is repression. We recognize that there are young people who are dragged into the criminal world of drugs because of factors related to the breakdown of the family, extreme social circumstances, an absence of basic values, the temptations of consumption or a combination of all these elements. Along with the inevitable suppression required to combat drug use, it is essential to wage a far-reaching educational campaign.

Without a doubt it is the families, the parents and, generally speaking, the people close to children who bear the prime responsibility for moulding healthy attitudes in terms of the ways and means they will apply as adults for achieving the ends, roles and objectives in their lives. This, of course, means developing a clear awareness of what is beneficial and what is

detrimental to their physical, emotional and mental health, and their productive integration into the family and social group.

Families which, given the information emanating from the media on the drug problem, fail to talk with their children in order to warn them and wisely develop a set of attitudes for rejecting such habits, will either persuade their children that drugs are permissible or show relative indifference to what happens around them.

Schools must be the most important bastion for this war which we have declared. Primary-school and secondary-school teachers, plus parents and guardians, must transform the centres of education into bastions for defending the integrity and morality of the population.

The media bear a predominant responsibility not only as regards confronting the problem directly but also as regards the factors which, owing to the demonstration effect, may indirectly place young people in the situation of being won over by the false values which the world of easy money, luxuries or addiction holds out.

The media must have good judgement sufficient to become factors of citizen-training and of objective information for reporting those who commit the heinous crime, while taking care not to serve as an instrument for slandering anyone without reason. It is a high and delicate responsibility.

This is a good time for the Catholic Church, and all churches active in Venezuela, to resume a more prominent and wider leading role than the one they play today.

Civil organizations, neighbourhood associations, youth units of the political parties, women's and pro-environment organizations all have a huge and irrevocable responsibility in this formidable fight.

The time has come for the factors essential for the intellectual and spiritual education of the citizens to assume a function that they must fulfil with more energy and audacity.

The armed forces and the police must supplement what the citizens' own moral forces cannot cope with by themselves. The military and police forces can back up the social institutions and the values which they promote, but they can never replace them. This has been the failure of the fight against drugs in many parts; force is claimed to be a substitute for the moral and spiritual development of men and women, and that is impossible.

The following is a summary of the steps we are taking:

1. Promulgation of the Convention for international action to combat drug abuse, and establishment of the National Commission for Action to Combat Drug Traffic and Consumption, the main reasons for this instrument. All national sectors will be represented in order to provide a real instrument for promoting the idea that this action involves all Venezuelans.

2. Establishment of the Unified Command for Action to Combat Drug Traffic at the highest ministerial level.

3. Establishment of the National Youth Commission to Combat Drug Traffic and Consumption, a function which I assign to the Ministry of Education and to all student centres and federations in the country in order to enlist our young people in a campaign which is primarily their own.

4. Constitution of a working group by the Ministry of Foreign Affairs for the rapid and exclusive establishment of bases for a North-South agreement and a Latin American integrationist agreement for coordinated action by all means, in which all countries and regions may participate.

5. The Ministry of Internal Affairs, the Commission for State Reform and the National Commission to combat drug abuse will initiate an immediate revision of all the legislation so that the Executive and the Congress can immediately update it and propose all the new regulations that have to be applied.

6. We shall promote, in conjunction with suppression activities and raids, substantial improvement in the work of investigation, intelligence and prevention.

7. To promote specific and urgent agreements with national entrepreneurs in support of the Agreement regarding cooperation in the prevention and control of money laundering arising from illicit trafficking in narcotic drugs and psychotropic substances, signed by my Government with the United States. These are particularly rigorous controls in the banking, financing, real-estate and pharmaceutico-chemical sectors.

8. Finally, to pursue the efforts towards adopting the proposal of an international police force for combating the drug traffic and to declare it a crime against mankind.

I call upon all Venezuelans, as in the great days of our history, to participate in this fight which we have to pass on to our children, and to our children's children. In this fight we can unite as we did when winning our independence or democracy. The present challenge is of that magnitude. Today we shall be the Venezuelans of that magnitude.

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GENERAL AND COMPLETE DISARMAMENT:
INTERNATIONAL ARMS TRANSFERS

SECURITY COUNCIL
Forty-sixth year

Letter dated 28 June 1991 from the Permanent Representative of Italy to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith a note concerning the legal constraints and political guidelines of the Italian arms exports policy (see annex).

I shall be grateful if you would kindly circulate this letter and its annex as an official document of the General Assembly, under item 60 (b) of the preliminary list, and of the Security Council.

(Signed) Vieri TRAXLER
Ambassador

* A/46/50.

ANNEX

Italian arms exports: legal constraints and political guidelines

In its arms export policy, Italy abides by the principle enshrined in article 11 of its Constitution: "Italy rejects war as an instrument of offence against the freedom of other peoples and as a means of solving international disputes".

In 1990 the national system monitoring armaments exports was reviewed by Parliament. Law No. 185 of 9 July 1990 established a new and complex political-administrative control system on the exports, imports and transit of armament matériel, including dual-use equipment mainly employed for military purposes, as specified in a list, whose main categories are indicated in article 2 of the law.

A general prohibition applies to the production and export of chemical, biological and nuclear weapons and related technology.

The law establishes the following main export criteria: coherence with international commitments (United Nations, European Community, North Atlantic Treaty Organization); fight against terrorism; maintenance of friendly relations with other countries; repression of illicit arms trade. More specifically, law No. 185/90 explicitly prohibits the sale of arms to countries engaged in armed conflicts not consistent with Article 51 of the Charter of the United Nations; in the case of embargoes against countries that are recognized to be responsible of violating international Conventions on human rights; or countries recipient of Italian development aid that allocate to their defence budgets resources beyond their defence needs.

An Interministerial Committee presided over by the Prime Minister is the highest body administering export licences, while the main responsibility rests with the Minister for Foreign Affairs.

In August 1990, the Interministerial Committee issued the political guidelines for the application of the law. In particular, in addition to the explicit legal constraints, appropriate caution should be exercised when licensing arms exports in cases of external or internal tensions which could lead to regional instabilities and threaten peace. Indications were given on how to interpret the above-mentioned legal constraints.

Controls: all producers of armament matériel must register with the Ministry of Defence.

Before negotiating foreign contracts, exporters must apply for authorization to the Ministries of Foreign Affairs and of Defence, indicating precisely the object and parties to the contract.

Conditions for the authorization of the final export include coherence with the negotiation proposals previously authorized, submission of the relevant contract, end-user certificate reliability.

Completion of export operations must be proven to the Ministry of Foreign Affairs.

Relevant financial transactions are controlled by the Ministry of Treasury. Customs controls are the responsibility of the Finance Ministry.

Criminal sanctions: for false statements/indications; unauthorized exports to other recipients; imprisonment terms can reach 12 years, and the financial sanctions 30 per cent of the value or 500 million lire.

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ELECTIONS TO FILL VACANCIES IN SUBSIDIARY ORGANS

Election of seven members of the Committee for Programme and Coordination

Note by the Secretary-General

1. In accordance with Economic and Social Council resolution 2008 (LX) of 14 May 1976 and General Assembly decision 42/450 of 17 December 1987, the members of the Committee for Programme and Coordination are nominated by the Economic and Social Council and elected by the General Assembly for a term of three years.

2. The membership of the Committee in 1991 is as follows (see General Assembly decision 45/310):

Algeria,** Argentina,** Bahamas,* Benin,* Brazil,*** Bulgaria,*** Burundi,*** Cameroon,** Chile,*** China,** Colombia,*** Congo,*** France,* Germany,*** India,*** Indonesia,*** Iraq,*** Italy,*** Japan,** Morocco,** Netherlands,*** Nigeria,*** Norway,*** Pakistan,*** Poland,*** Sri Lanka,** Trinidad and Tobago,*** Uganda,*** Ukrainian Soviet Socialist Republic,*** Union of Soviet Socialist Republics,* United Kingdom of Great Britain and Northern Ireland,*** United States of America,* Venezuela* and Zambia.*

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* Term of office expires on 31 December 1991.

** Term of office expires on 31 December 1992.

*** Term of office expires on 31 December 1993.

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* A/46/50.

3. The General Assembly, at its forty-sixth session, will, therefore, be called upon to elect seven members, on the nomination of the Economic and Social Council, to fill the vacancies in the Committee that will occur as a result of the expiration of the terms of office of Bahamas, Benin, France, Union of Soviet Socialist Republics, United States of America, Venezuela and Zambia. In accordance with General Assembly decision 42/450, the vacancies are to be filled as follows:

(a) Two members from African States;

(b) One member from Eastern European States;

(c) Two members from Latin American and Caribbean States;

(d) Two members from Western European and other States.

4. By its decision 1991/224 of 30 and 31 May 1991, the Economic and Social Council nominated the following Member States for election by the General Assembly at its forty-sixth session, for a term of three years, beginning on 1 January 1992:

(a) African States (2 vacancies): Ghana and Zambia;

(b) Eastern European States (1 vacancy): Union of Soviet Socialist Republics;

(c) Latin American and Caribbean States (2 vacancies): Bahamas, Nicaragua and Uruguay;

(d) Western European and other States (2 vacancies): France and United States of America.

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CRITICAL ECONOMIC SITUATION IN AFRICA: FINAL REVIEW AND APPRAISAL OF THE IMPLEMENTATION OF THE UNITED NATIONS PROGRAMME OF ACTION FOR AFRICAN ECONOMIC RECOVERY AND DEVELOPMENT 1986-1990

Letter dated 21 June 1991 from the Chargé d'affaires a.i. of the Permanent Mission of Zambia to the United Nations addressed to the Secretary-General

I have the honour to transmit a copy of the memorandum addressed to the Ad Hoc Committee of the Whole of the General Assembly on the final review and appraisal of the implemention of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (see annex).

The memorandum is one of the documents adopted by the African Ministers responsible for Economic Development and Planning at the 26th session of the Economic Commission for Africa, which took place at Addis Ababa from 9 to 13 May 1991. As you are no doubt aware, Zambia was the Chairman of that session.

I should be grateful if you would have the text of the present letter and its annex circulated as early as possible as a document of the General Assembly, under item 21 (a) of the preliminary list.

(Signed) I. Z. CHABALA
Deputy Permanent Representative
of the Republic of Zambia

* A/46/50.

ANNEX

Memorandum by the Conference of Ministers of the Economic Commission for Africa to the Ad Hoc Committee of the Whole of the General Assembly on the final review and appraisal of the implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990

I. INTRODUCTION

1. With the coming to an end of the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 (UN-PAAERD), we, the African Ministers Responsible for Economic Development and Planning wish, as decided in ECA's Conference of Ministers resolution 698(XXV), to present herewith to the Ad hoc Committee of the Whole of the United Nations General Assembly on the final review of UN-PAAERD our collective assessment of the implementation of the programme and the measures that are needed to achieve sustained and sustainable growth and development in Africa in the years to come.

2. When our Heads of State and Government called, at their 21st Session held in July 1985, for the convening of a special session of the General Assembly to deal with the critical economic situation in Africa, it was because of the extreme gravity of the socio-economic situation in our continent and the conviction that the causes for this crisis transcended the boundaries of our continent. Hence, the need for a partnership between Africa and the international community to undertake mutually reinforcing actions to overcome the crisis and set the continent on the road to recovery and development.

3. Africa's Submission to the Special Session of the United Nations General Assembly on Africa's Economic and Social Crisis, which the OAU and ECA jointly prepared and submitted to the Ad hoc Committee of the Whole and the General Assembly, delineated the actions that needed to be taken by both Africa and the international community to turn a continent beleaguered by socio-economic crisis into a viable socio-economic entity. In that context, the submission reaffirmed our total commitment and primary responsibility for the development of our continent; the determination to implement Africa's Priority Programme for Economic Recovery 1986-1990 (APPER); and reiterated our continued full commitment to the basic principles and long-term objectives of the Lagos Plan of Action and the Final Act of Lagos.

4. We saw the first special session ever to be devoted to the problems of a single region as a truly unique opportunity to focus the attention of the world on the plight of Africa and to establish the political foundation and consensus for concerted global action in support of our continent.

5. All concerned came to recognize the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 (UN-PAAERD) as a novel compact between Africa and the international community, embodying mutually reinforcing commitments. We Africans committed ourselves to providing the necessary framework for launching long-term programmes for self-sustaining socio-economic growth and development and the international community, on its part, committed itself to assisting Africa to achieve this objective.

/...

6. We recall the results of the Mid-term review of UN-PAAERD by the United Nations General Assembly, in particular the following conclusions:

> "The reform and restructuring that are being undertaken by African countries and the ongoing initiatives taken by the international community thus constitute an important beginning. However, the overall performance of the African economies remains unsatisfactory. Despite earnest efforts to carry out adjustments in their national economic policies, most African countries have found little reprieve from the harsh impact of climatic conditions and an unfavourable external economic environment. Internal constraints, and the adverse impact of exogenous factors to which African economies are highly susceptible, are impeding the reform process and are severely hampering African development. Dealing with the African crisis is a priority concern for the international community and the United Nations. It is therefore a matter of urgency that the promising actions that have been taken by all parties concerned to implement the Programme of Action should be strengthened and accelerated. Sustained and unfaltering efforts made by African countries must be matched by substantial and urgent efforts by the international community to provide support to them at the required levels and to create an international environment favourable to the process of reform and restructuring".

7. We have also taken note of the decennial review and appraisal of the Lagos Plan of Action and Final Act of Lagos as contained in document E/ECA/CM.17/14.

8. The forthcoming final review and appraisal of the implementation of UN-PAAERD by the General Assembly of the United Nations and its Ad Hoc Committee of the Whole, does provide a unique opportunity for a frank, sober and objective assessment of the achievements of the Programme and the implications of those results for future action in support of Africa.

9. With the unanimous adoption of UN-PAAERD, we certainly held the hope that this compact would usher in a new era of international cooperation in which both Africa and the international community would work together to fulfill their respective commitment as embodied in the Programme.

10. Unfortunately, we cannot but conclude that at the end of this five-year period, Africa's socio-economic condition remains precarious and that the results of the Programme of Action fell far below expectations. The socio-economic conditions as well as the purchasing power of the African people have continued to worsen and the Programme of Action has not contributed

sufficiently in redressing this situation. It is this sober recognition which guided us in formulating this Special Memorandum.

11. It is because of this concern that we decided, at our sixteenth meeting held in Tripoli in May 1990, to submit a Special Memorandum to the Ad Hoc Committee of the Whole of the General Assembly of the United Nations on the final review and appraisal of UN-PAAERD. The following pages of our Special Memorandum contain our candid assessment of UN-PAAERD and the tasks that need to be tackled in the 1990s.

II. IMPLEMENTATION OF UN-PAAERD

1. African efforts

12. We committed ourselves, in UN-PAAERD, to providing the necessary framework for launching long-term sustainable socio-economic development and growth by implementing the policies and priorities of APPER. These include: agricultural development; the rehabilitation and development of sectors in support of agriculture; measures to combat drought and desertification; the development of human resources; and policy reforms. These policy reforms include: improving the management of the economy; implementing other policy measures through which "short-term adjustment measures should give way to the medium-term and long-term structural transformation"; adoption of appropriate national population policies; and encouraging the participation of people, especially women, in development.

13. For a realistic assessment of UN-PAAERD, it is important to state at the outset that the implementation of UN-PAAERD priorities overlapped with the implementation of Structural Adjustment Programmes (SAPs)by over two thirds of our countries. In this regard we wish to reiterate the conclusions of the United Nations General Assembly at the mid-term review of UN-PAAERD: "Structural adjustment programmes should be designed in such a way as to mitigate their adverse socio-economic effects, ensure that the human dimension is integrated in them, further improve the well-being of the poor and disadvantaged in African societies, notably through redirecting social and developmental expenditures, and make short-term stabilization and adjustment measures compatible with and built into long-term structural transformation".

14. Bearing that fact in mind, we are convinced that on the whole we undertook commendable efforts to implement policy reforms and structural adjustment programmes and also to respond positively to some of the priority sectors of UN-PAAERD. Returns from the survey which ECA administered in our countries, and assessment by other sources do clearly demonstrate a clear

commitment and a greater effort on our part to implement economic reforms and adjustment programmes.

15. We accorded high importance to UN-PAAERD's four sectoral priorities. Special emphasis was given to the food and agriculture sector. Greater resources were channelled to the agricultural sector to the extent that the target of allocating 20 to 25 per cent of public investment was achieved in many countries. Efforts to expand agricultural production have also been made through measures such as encouraging investment in agriculture by both the public and private sectors, increasing incentives to farmers, including remunerative producer prices and measures to restore, protect and develop arable land, etc. We also took immediate measures to avoid having recourse to food emergency assistance.

16. Regrettably, this commitment on our part to emphasize the food and agricultural sector has, for a variety of reasons, not translated into a significant degree of food security, and the rise in agricultural production certainly fell short of our expectations and was not sufficient to stop the decline of per capita agricultural production.

17. Emphasis has also been placed on the development and rehabilitation of agro-related industries and production of factor inputs, taking into account the First United Nations Industrial Development Decade for Africa, 1980-1990; the rehabilitation and development of transport and communications infrastructure, taking also into account the First United Nations Transport and Communications Decade for Africa, 1978-1988; combating drought and desertification; improving educational and training facilities; increasing employment opportunities for women and rural youth; and encouraging popular participation in development in general.

18. The overwhelming majority of our countries implemented policy reforms along UN-PAAERD lines as well as Structural Adjustment Programmes, the latter often at great economic and social cost as well as political risks.

19. Within the framework of the improvement of the management of the economy, the majority of our countries pursued policies aimed at improving public management systems institutions and practices; improving the performance of public enterprises; reforming the public services to make them more development-oriented; and improving financial management, fiscal administration and control of public expenditure.

20. Explicit or implicit national population policies were adopted by over three quarters of African countries. Efforts have been made to enhance the participation of the people in development, develop indigenous entrepreneurial capabilities, support grass-roots development initiatives and involve women more actively in development.

21. Indeed, significant change towards the democratization of political and economic life and consolidation of the democratic process, affecting no less than 30 of our countries, was under way towards the latter part of UN-PAAERD period. The Arusha International Conference on Popular Participation in Development, the Charter of which was subsequently adopted by the ECA Conference of Ministers and the OAU Summit of Heads of State and Government and endorsed by the United Nations General Assembly, represents an important watershed in the emerging consensus emanating from within our continent on the need for a more effective process of popular participation in development and the democratization of economic and political life.

22. UN-PAAERD's policy reform measures demanding that "in the coming years, short-term adjustment measures should give way to the medium-term and long-term structural transformation" were not always implemented as envisaged. Structural Adjustment Programmes were dominant throughout UN-PAAERD period.

23. We are convinced that these programmes (SAPs) were not sufficient for the attainment of the objectives of structural transformation and long-term development. Moreover, their human and social costs have been high and their benefits have become more and more elusive. Indeed, some of SAPs instruments - such as repeated devaluation, across-the-board liberalization of the economy and high nominal interest rates - have actually undermined long-term growth prospects by fuelling inflation, discouraging domestic production and diverting savings to speculative activities. These conclusions have furthermore been testified to by the conclusions of many independent studies and the findings of major international conferences such as the Abuja International Conference on the Challenge of Economic Recovery and Accelerated Development and the Khartoum International Conference on the Human Dimension of Africa's Economic Recovery and Development.

24. We also took actions to implement UN-PAAERD's priorities at the subregional and regional levels within the framework of our intergovernmental subregional and regional organizations and institutions. We wish to cite here, only by way of example, the collective actions we have taken towards the establishment of regional networks for crop protection and mechanisms for co-operation among national early warning systems, as well as towards the reduction of dependence on non-African experts. The Global Information and Early Warning System (GIEWS), in which over 30 countries participate and the establishment of the African Centre for Meteorological Application for Development (ACMAD) are two examples, during UN-PAAERD period, of sub-regional co-operation.

25. We also made efforts to harmonize and rationalize the functioning of our subregional organizations with a view to avoiding unnecessary duplication, cutting on wastage and

revitalizing them to act as effective vehicles for development and transformation.

26. Our efforts in establishing the Preferential Trade Area for Eastern and Southern Africa (PTA), the Central African Economic Community (CAEC), the revitalization of Arab Maghreb Union (UMA) as well as the African Economic Community, the treaty of which will be tabled for signature at the Summit of our Heads of State and Government in June this year, are a measure of our resolve to push ahead with the overriding objective of economic cooperation and integration, without which the future of our continent will be compromised.

2. Response of the international community

27. Our commitment to "provide the necessary framework to launch long-term programmes for self-sustaining socio-economic development and growth" is matched, in UN-PAAERD by the commitment of the international community "to assist Africa to achieve this objective". This commitment was spelt out in UN-PAAERD as follows: "The international community recognizes that the African countries need additional external resources. In this context, it commits itself to making every effort to provide sufficient resources to support and supplement the African development effort". It also agreed "on the importance of increasing official development assistance to Africa, its improved quality and effectiveness". "The international community also recognizes the magnitude of Africa's debt and the severe and restrictive burden which this has placed on many African countries. It realizes that measures have to be taken to alleviate this burden and to enable those countries to concentrate on the full implementation of the priorities". The international community "also realized that lasting solutions to the serious exogenous constraints, over which Africa has no control, will have to be found since their persistence will impede the efforts of African countries", and that "the quality and modality of external assistance and co-operation will need to be improved".

28. A careful and reasoned evaluation of the response of the international community to UN-PAAERD can, regrettably, only lead us to conclude that the international community has not fully carried out its part of the compact.

29. Additional resource requirements, over and above net resource flow levels in 1986, for the implementation of the UN-PAAERD were estimated in the Programme at $9.1 billion a year over the UN-PAAERD period. Not only were these additional resource flows, as expected in UN-PAAERD, not forthcoming, but total net resource flows to Africa actually declined sharply in real terms during the Programme period from a level of $25.9 billion in 1986 to $22.6 billion in 1989. The year-to-year figures of total net resource flows were: in 1985: $27.3 billion; in 1986: $25.9 billion; in 1987: $22.7 billion; in 1988: $22.4

billion; and in 1989: $22.6 billion. Official development assistance stagnated in real terms at around $16 billion during the same period, while private flows declined sharply. When account is taken of interest and dividend payments by Africa, net financial transfers to Africa in real terms dropped sharply from $13.0 billion in 1986 to $8.7 billion in 1989.

30. We recognize that the multilateral institutions increased their support to Africa during UN-PAAERD through such programmes as the World Bank's Special Program of Assistance (SPA) and the IMF's Structural Adjustment Facility (SAF) and Enhanced Structural Adjustment Facility (ESAF). The World Bank's net flows to Africa amounted to $1.66 billion, over the UN-PAAERD, while the IMF's total direct financial commitment to Africa increased from SDR 1.5 billion in 1986 to SDR 2.8 billion in 1990.

31. This support had, however, serious limitations. Access to these resources is conditional upon the implementation of SAPs, a fact which leaves little choice for African countries but to accede to such conditionality. Secondly, conditionality requirements have also limited access to the funds. For example, only about a third of total resources available under SAF and ESAF had been disbursed by the IMF to-date.

32. In spite of the growing seriousness of Africa's external debt, efforts by the international community to deal with the problem have not been adequate. Africa's debt has virtually become unmanageable. The continent's total external debt stock rose from $204 billion in 1986 to $272 billion in 1990. The ratio of Africa's debt to GDP increased from 54 per cent in 1986 to 109 per cent in 1990, while the ratio of debt to export earnings increased from 239 per cent in 1986 to 338 per cent in 1990. The ratio of actual debt service payments to exports was in excess of 30 per cent in 1990, while the ratio of scheduled debt service to exports was in the same year, about 46 per cent. The debt-burden has mounted as a result of low export earnings due to the dramatic fall of prices of primary commodities.

33. Some initiatives have been taken by the international community to ease Africa's debt burden such as the Toronto Summit and the welcome move by a number of OECD countries to forgive the debt of certain African countries. Laudable as these initiatives are, they have been inadequate as they have failed to reduce the stock of debt in any meaningful manner, since they apply only to the low income, heavily-indebted African countries that are implementing Structural Adjustment Programmes (SAPs). About $1.6 billion was forgiven during 1987-1989 by nine member states of the Organization of Economic Co-operation and Development. The impact of the debt forgiven on debt service has been very limited. Debt service payments were lowered by only $100 million.

34. The fact that these debt initiatives have been implemented within the framework of the Paris Club has seriously impaired their usefulness for our economies. The scale of relief is extremely limited; countries have had to repeatedly reschedule debt; the excessive reschedulings have tended to sap the energy and limited human resources of our countries; and rescheduling terms have not been adapted to the debtor's capacity to pay. Furthermore, Paris Club practices pose two serious problems: First, these practices do actually contribute to exacerbating Africa's long-term debt problem by increasing the stock of non-concessional debt. Secondly, the conditionality of linking eligibility of debt relief to the adherence to IMF/World Bank Structural Adjustment Programmes pressurizes countries to accept SAPs on the one hand and also excludes those countries which are not implementing SAPs from obtaining debt relief on the other hand.

35. Africa's debt problem has been further complicated by the growing seriousness of multilateral debt. The service on multilateral debt represents almost a quarter of Africa's total debt and has been so large as to substantially reduce net financial transfers from multilateral institutions in the case of the World Bank, (where annual net transfers after debt service, amounted to $0.98 billion against $1.66 billion net flows) and turn these negative in the case of the IMF, (where African countries transferred back to the IMF an average of $600 million annually during UN-PAAERD period). Indeed, 11 African countries were over six months in arrears to the IMF, and 8 countries to the World Bank at the end of 1990.

36. The regulations of the multilateral institutions do not allow this debt to be rescheduled or written off. Refinancing arrangements have been inadequate and recent initiatives, such as the IMF's "rights" approach to help refinance the debt owed to it by Africa, will not solve the problem.

37. UN-PAAERD recognized that there is a need for the international community:

"(i) To evolve and implement policies conducive to sustained, equitable and non-inflationary growth, including the expansion of trade through, inter alia, the elimination of protectionism, particularly non-tariff barriers, in accordance with existing commitments, the adoption of measures which encourage African exports and diversification programmes, and improved market access, especially for tropical products, within the framework of the General Agreement on Tariffs and Trade;

(ii) To deal urgently with commodity issues, taking into account the special interest of the African countries, in the framework of an overall approach, embracing commodity agreements/arrangements, adequate

compensatory financing, and also to increase the capacity of African countries to process, market, distribute and transport their exports, and in this context to stress the importance of sufficient ratifications of the agreement on the Common Fund for Commodities, for it quickly to become operational".

38. Regrettably, these commitments remained largely unfulfilled during the UN-PAAERD period and the international environment has generally been unfavourable to Africa.

39. Although trade grew faster and rates of growth of the developed market economy countries picked up during the UN-PAAERD period, the export performance of our continent remained weak. This is mainly explained by falling commodity prices, the total collapse of coffee and cocoa prices and the continued supply overhang in commodity markets. Indeed, as we managed to expand the volume of our exports in expectation of higher export earnings, we only faced the opposite situation and also an adverse movement in Africa's terms of trade and purchasing power of exports indices. While the quantum index of our exports increased by about 6 percentage points (during 1986-1989 compared to 1981-1985), the unit value index dropped by 26 points. At the same time, although our imports index fell by 4 percentage points, the unit value index of our imports rose by 11 percentage points. These movements caused further deterioration in Africa's terms of trade by one third during the UN-PAAERD period. The purchasing power of our exports fell sharply to 52.5 per cent during 1986-1989, compared to 75.7 per cent in 1981-1985.

40. Support given to our countries to diversify within and outside the commodity sector was limited. It is also worthwhile to note that neither the World Bank nor the International Finance Corporation had a single African country among its top five recipients of export-oriented diversification lending in the 1980s.

41. International co-operation on commodity issues actually became weaker during UN-PAAERD period. No new price stabilization measures were introduced, and, indeed, tne existing international agreements on coffee and cocoa have become inoperative.

42. The implementation of measures to provide "adequate compensatory financing" to African countries as called for by UN-PAAERD have been grossly inadequate. The extension of the scope of the IMF's Compensatory Financing Facility (CFF) in August 1988 to include a contingency mechanism has actually reduced our ability to make effective use of it because of the problems of over-conditionality and eligibility. The call of the General Assembly at the Mid-Term Review for the participation of all industrialized countries in a globalized arrangement similar to

STABEX/SYSMIN to compensate for shortfalls in export earnings of African countries has not received support.

43. While the Common Fund for Commodities has been ratified by many countries, the resources available for it remain meagre and it is yet to operate effectively. There is, in fact, a growing preference for free market operations and a growing perception that declining consumption represents long-term shifts in demand induced by technological change and substitution of new synthetic materials for traditional exports.

44. Protectionism has not abated during the second half of the 1980s in the industrialized countries, while pressure was being put on Africa to liberalize its import regimes. On the other hand, we recognize, with satisfaction, that the signing of Lome IV Convention in 1989 allowed improved access to European Community markets for veal beef and another 40 ACP products and that the access for fruit and vegetables to the European market has been improved.

45. We are particularly concerned about the inadequacies, of technical assistance, both in quality and volume, which currently accounts for 25 per cent of net ODA disbursements.

46. We are aware that during the UN-PAAERD period a number of initiatives were introduced to deal with the problems of technical assistance. These included National Technical Co-operation Assessment Programmes (NATCAP) and attempts to improve on the functioning of the Round Table (RT) meetings of UNDP as well as the Consultative Group (CG) meetings and the Special Programme of Assistance (SPA) of the World Bank.

47. In spite of these initiatives, our concern over the effectiveness of technical assistance is growing. Such concerns include, inter-alia, the conditionality sometimes attached to technical assistance, insufficient impact on building a lasting capacity of national institution; the lack of effective involvement of the recipient countries in the determination of technical assistance programmes; the extremely high cost of technical co-operation; difficulty in the assigning of counterpart staff; training efforts not always addressing the priority needs of African countries; lack of use of local expertise and equipment in project implementation and training; and the use of inexperienced foreign experts to implement technical assistance programmes.

48. These results can only lead us to conclude that our own efforts and sacrifices have not been matched by an equal effort on the part of our partners and that their response to UN-PAAERD has disappointingly not been in line with their commitments in UN-PAAERD.

49. Without an improvement in the external environment and adequate external resources, Africa cannot be expected to grow

or develop. The external environment remained unfavourable during UN-PAAERD period. Furthermore, as a result of debt repayments and losses in export earnings, Africa was actually a net exporter of financial resources to the rest of the world. Deducting interest and dividend payments, financial transfers to Africa would decline in real terms from $13.0 billion in 1986 to $8.7 billion in 1989. Taking into account the impact of the deterioration in the terms of trade, net financial transfers would turn negative.

50. We recognize that the response of the United Nations system to the implementation of UN-PAAERD has, on the whole been positive. The share of Africa in overall global assistance by the United Nations system rose from about 40 per cent in 1986 to over 50 per cent in 1990, i.e. from $1.1 billion in 1986 to $1.5 billion in 1990. In a number of instances this increase was as a direct result of UN-PAAERD. In other cases, UN-PAAERD helped to strengthen existing mandates and to focus attention on the critical economic situation in Africa and the need to initiate additional activities to deal with it. The share of UN-PAAERD priority sectors in these resources was high. Support was also given to priorities and institutions at the subregional and regional levels. It is also clear that preference was in favour of national programmes. We appreciate the efforts made by the Secretary-General of the United Nations to sensitize the international community to the major areas of concern of UN-PAAERD and his convening of the high-level Expert Groups on Financial Flows to Africa and Africa's Commodity Problems. Co-operation among organizations of the United Nations system as regards global co-ordination, monitoring and reporting on the implementation of UN-PAAERD and the awareness-building and information dissemination activities are also appreciated.

51. Some efforts were made to improve the quality and modality of assistance and co-operation and support policy reforms. Much more, however remains to be done in these areas and the emerging consensus on appropriate developmental approaches needs to be translated into operational reality reflecting Africa's own strategies as enunciated in Africa's Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation (AAF-SAP).

52. We appreciate the contributions which African and non-African NGOs made in relation to the implementation of UN-PAAERD, particularly the growing magnitude of financial flows from NGO sources, education and advocacy work in the industrialized countries to seek more responsive action by Africa's multilateral and bilateral partners to meet Africa's development needs and also in support of Africa's own development policies and approaches, and the organization of various conferences and the dissemination of information to support and renew the implementation of UN-PAAERD.

III. IMPACT OF UN-PAAERD ON THE AFRICAN ECONOMY

53. We are of the view that UN-PAAERD has had very little positive impact on the performance of the African economy. Economic performance during the period 1986-1990 was not satisfactory. The rate of growth of the Gross Domestic Product (GDP) averaged only 2.3 per cent per annum during the period, well below the average rate of population growth of 3.1 per cent. The annual rates of growth of the GDP were erratic from one year to another. From a level of 5.8 per cent in 1985, growth rates fell to 2.6 per cent and 0.7 per cent in 1986 and 1987 respectively, increased to 2.1 per cent in 1988 and 3.3 per cent in 1989 and fell back to 2.6 per cent in 1990..

54. Thus, growth during the second half of 1980s depicted retrogression, and not progress, in the standards of living of our people. The GDP per capita decreased annually at an average rate of 0.7 per cent during 1986-1990. Gross domestic investment as a percentage of the GDP remained low, and actually declined from about 23.5 per cent in 1980 and 19.2 per cent in 1986 to 17.6 per cent in 1989. Gross domestic savings stagnated around 16 per cent during the UN-PAAERD period, compared to a level of above 24 per cent in 1980.

55. A number of reasons were responsible for this poor performance. Paramount among these is the fact that the structure of our economies hardly changed during the period, causing production, productivity, savings, investment and capital formation to remain at depressed levels.

56. Added to that, a number of internal and external constraints had combined to aggravate the situation.

57. Important among the internal factors was the weather which determined, to a great extent, the contribution of the agricultural sector to growth either directly or indirectly through the impact on manufacturing. The fact that many parts of our continent were subject to internal and cross-border conflicts was an added cause for poor performance.

58. The internal factors aside, it was the external constraints which were largely responsible for the aggravation of the situation. Our efforts to undertake economic reform measures were seriously undermined, as indicated in the preceding section, by an adverse external environment; declining export earnings; a crippling debt and debt-servicing problem; and inadequate resource flows. These interlinked problems depleted scarce resources and, caused a situation of reverse flows of resources out of Africa to the rest of the world. Under these circumstances, it is difficult to see how our economies could have grown and prospered.

59. Economic performance in the Southern African subregion was also severely affected by the acts of destabilization by the Republic of South Africa. These acts cost the Southern African countries over $60 billion between 1980 and 1989. The SADCC countries' losses in the 1980-1988 period came to more than twice the total output of goods and services of these countries during 1988. In fact, destabilization was the principal cause of economic setbacks for the subregion to the extent that in 1988, for example, the output of the subregion would have been over 40 per cent higher in the absence of a hostile South Africa.

60. UN-PAAERD itself had little impact on economic performance during the programme period. Positive effects derived from the implementation of economic reform measures were, more than, offset by the negative effect of internal and external constraints and the shortfall in meeting the commitments by the international community in the Programme.

61. Indeed, as UN-PAAERD was being propagated, over two thirds of our countries were actually implementing Structural Adjustment Programmes (SAPs) supported by the World Bank and IMF. The manner in which these Programmes were conceived and implemented, often had the result of hampering the achievement of some objectives of the Programme. The removal of agricultural subsidies and the liberalization of imports was, for example, in many instances harmful to increased production in agriculture and manufacturing. Large-scale and repeated devaluation also helped to fuel inflation, and excessively high nominal interest rates encouraged speculative activities rather than productive investment.

62. Improvement in the human and social conditions, which is the final goal and the raison d'être for improved economic performance, were nowhere in sight during UN-PAAERD period. Indeed, there was a marked deterioration in those conditions. The incidence of poverty, unemployment and underemployment increased. Expenditure cuts as a result of SAPs contributed to the deterioration in health and educational services, making access more difficult to education, health and other social services; lowered ratios of enrolment in educational institutions; and left our universities and research centres hollow shells of what they used to be. Devaluations, wage and salary freezes and reduction caused sharp falls in real income with serious concomitant consequences for productivity, motivation and accountability. The brain drain among our most talented and competent high-level manpower has largely been due to the drastic fall in real earnings and the crumbled-down scientific infrastructure.

63. As we talk about a new generation of SAPs, we wish to point out, as has been affirmed in General Assembly resolution 45/194, that the human dimension and long-term structural transformation requirements are yet to be imperatively integrated within such programmes.

64. All told, the economic and social conditions in Africa during 1986-1990 can only depict a picture of a continuing socio-economic crisis, a situation which calls for the need to deal with the underlying root causes thereof in a decisive and fundamental manner.

IV. CONCLUSIONS

65. The foregoing analysis can only lead us to conclude that novel as it was, UN-PAAERD did not yield the expected results.

66. A number of reasons, as we have shown above, have been responsible for this outcome:

1. Important and unique as it was, UN-PAAERD had not been the focal point for rallying international action in support of Africa. In spite of the global consensus and coalition that UN-PAAERD represented, concurrent efforts and initiatives continued to be undertaken during the period. As UN-PAAERD was ushered in, the World Bank- and IMF-supported Structural Adjustment Programmes continued to be implemented. Indeed, these programmes very often impeded the implementation of UN-PAAERD;

2. While our countries honoured their commitment and continued to implement policy reforms and structural adjustment programmes, often at tremendous social and economic costs, the international support that was envisaged within the framework of UN-PAAERD was, disappointingly, lacking and well below expectations. Instead of receiving $9.1 billion additionally on an annual basis over and above 1986 net resource flow levels, these flows actually declined in real terms at the end of UN-PAAERD period. The international community was also unable to address the debt and commodity problems in the manner expected, to the extent that our countries became more indebted by the end of the Programme period than before and also earned less from an increased volume of exports. Little improvement, if any, was made in the modalities of technical assistance;

3. The malaise of the African economy, and the root cause of its underdevelopment, lie in the insufficient structural transformation and, in this regard, the structures of the African economies hardly changed during the UN-PAAERD period;

4. Although internal constraints played a role in intensifying the causes for the lack of improvement of socio-economic performance, it was the external

constraints and the unfavourable international economic environment which constituted the main obstacle to recovery and development.

67. In the light of the experience of UN-PAAERD, we have come to the conclusion that Africa does not need another UN-PAAERD. Africa is already committed as a member of the international community, to the new International Development Strategy for the Fourth United Nations Development Decade. At the regional level, there are the Lagos Plan of Action and the Final Act of Lagos and the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation. With 30 African countries belonging the group of LDCs, the second Programme of Action for the LDCs adopted in Paris in September 1990, constitutes virtually a regional plan. In addition, there are two sectoral programmes for Africa - the UNTACDA II and IDDA II. In this regard, we conclude that there are more than enough regional programmes in existence and Africa does not, therefore, need another one.

68. In any case, given the global political and economic climate, it cannot be expected that a repetition of UN-PAAERD, no matter how modified, would yield results different from those of the previous Programme. If anything, it might exacerbate the marginalization of Africa by removing its main concerns from current global concerns and treating them as special problems. It will thus be a political mistake to relegate Africa to a "back burner" position by invoking yet another programme with an appellatory character, which everybody would know that nothing will come out of it.

69. In these circumstances, we have concluded that we need to put in place, for the rest of the decade, arrangements that would avoid the further marginalization of our continent and will not treat our problems as special cases - but as points of global problems without whose solution international development and cooperation will not be fully attained. Consequently we have opted for a new kind of international agenda for co-operation with Africa - an agenda that is specific on issues and problem-oriented and whose solutions will enable Africa to implement fully the existing global, regional and sectoral strategies, programmes and plans.

V. INTERNATIONAL AGENDA FOR COOPERATION WITH AFRICA IN THE 1990s

70. This new kind of international agenda for co-operation with Africa in the 1990s will be in two parts - what Africa must commit itself to do and what the international community should commit itself to do.

PART I OF THE AGENDA: AFRICA'S COMMITMENT

(i) Policy Framework

71. Following from the foregoing conclusions, we can only surmise that our continent has no alternative but to pursue, urgently and persistently, economic reform measures that would lead to a process of sustained and sustainable growth and development.

72. Such a process cannot be set in motion through the implementation of orthodox Structural Adjustment Programmes. That is not only our conclusion, but also the verdict of the United Nations General Assembly when it concluded:

> "The implementation of structural adjustment programmes has given rise to general concerns, such as human, social and political consequences, as well as long-term financing needs for Africa's economic recovery and development efforts. .... Structural adjustment programmes should be designed in such a way as to mitigate their adverse socio-economic effects, ensure that the human dimension is integrated in them, further improve the well-being of the poor and disadvantaged in African societies, notably through redirecting social and developmental expenditure, and making short-term structural adjustment measures compatible with and built into long-term structural transformation."

Indeed, the General Assembly challenged us by urging that:

> "African countries should increase their efforts in the search for a viable conceptual and practical framework for economic structural adjustment programmes in keeping with the long-term development objectives and strategies at the national, sub-regional and regional levels."

73. We met that challenge by elaborating the African Alternative Framework to Structural Adjustment Programmes for Socio Economic Recovery and Transformation (AAF-SAP), which charts the way forward to the achievement of sustained and sustainable growth and development.

74. Not only was AAF-SAP adopted by our Heads of State and Government, but it was also blessed by the United Nations General Assembly which commended it as a framework for negotiation with Africa's bilateral and multilateral partners. We, therefore, call on our partners to take account of these decisions in all negotiations.

75. We are convinced that growth and development on a sustained and sustainable basis can only unfold through the popular enthusiasm of the people and their full participation in the process of development. We are, therefore, determined to press ahead with the democratization of development and the full implementation of the African Charter for Popular Participation in Development and Transformation and the declaration of our Heads of State and Government at their 1990 Summit on the political and socio-economic situation in Africa and the fundamental changes taking place in the world.

76. But this determination to pursue vigorously the transformation of our economy and society, is not likely to succeed if the international economic environment continues to remain hostile and if the interlinked problems of debt commodities and resource flows are not fundamentally solved.

77. On the basis of the foregoing considerations emanating from our objective evaluation of the implementation of UN-PAAERD, we propose an initiative commensurate with the status and challenges confronting our continent at the dawn of the 1990s. Such an initiative shall take the form of a new Agenda for Cooperation between Africa and the international community that would focus on the set of problems without the solution of which Africa cannot be expected to progress and prosper, and which would underwrite our continent's efforts and development orientation.

78. Thus on our part we will, above all, commit ourselves to the transformation of the structures of our economies to achieve growth and development on a sustained and sustainable basis as enunciated in AAF-SAP.

(ii) The human dimension

79. At the centre of that process is the human dimension. We therefore resolve to improve the human conditions and living standards of our people. We are aware that our capacity to develop and compete meaningfully in the world economy depends on the efficiency and quality of our human resources. It is in this sense that we regard intensified human resources development and utilization and capacity building as an important part of the agenda for international co-operation with Africa.

(iii) Intensification of the democratization process

80. We also commit ourselves to speed up the democratization of the economy and society and the full participation of our people in development as embodied in the African Charter for Popular Participation in Development and Transformation.

(iv) Promotion of regional and subregional cooperation

81. The effective transformation of our economies would not be possible without effective regional and subregional economic

cooperation and integration. We therefore resolve to pursue this objective with vigour and fully commit ourselves to the establishment of the African Economic Community and to the effective functioning of our subregional organizations, the PTA, SADCC, ECCWAS, ECCAS and UMA.

(v) South-South cooperation

82. We are also convinced that South-South co-operation is an indispensable element for the success of the New Agenda for Cooperation and we are, therefore, determined to intensify such cooperation.

PART II OF THE AGENDA: THE COMMITMENT OF THE INTERNATIONAL COMMUNITY

83. The international community would need to support Africa's own approaches to development and transformation and to create the conditions that are necessary for the success of our endeavours. Within the framework of this New Agenda for Cooperation, the international community would need to deal with the problems of bilateral and multilateral debt, commodities and resource flows in a fundamental manner that would provide lasting solutions to these problems.

(i) Solution for Africa's debt problem

(a) Bilateral debt

84. In the area of debt, major initiatives to cancel the bulk of Africa's bilateral ODA and export credits debt must be instituted. We are convinced, in this regard, that the solution to the debt problem is primarily a political, and not a technical one, as the recent experience of some countries has shown.

85. We call on the governments of the industrialized countries to actively participate in the solution of the problem of commercial debt with a view to effecting a substantial reduction of that debt and facilitating its repayment.

(b) Multilateral debt

86. Bold solutions to the problem of multilateral debt must also be included. In addition to the re-financing facilities that are already existing with respect to multilateral debt, we, therefore, call for the amendment of the articles of the Bretton Woods institutions to permit a resolution of the problem.

87. In all, we call on the international community to assist in the implementation of the African Common Position on Africa's External Debt Crisis, particularly the organization of the International Conference on Africa's External Indebtedness.

(c) Delinking debt relief from SAPs' conditionality

88. There is also a need to delink debt relief from the damaging conditionality of SAPs.

(ii) Diversification of the African economy

89. Another area in which fundamental reforms are required concerns the African commodities sector. Our common position on the FRASER's report is pertinent in this respect. Our development strategy cannot be tied to the commodities sector largely because the control of this sector rests with the international community. As it is, increasing commodity output, given the adverse terms of trade against producers, is a poor development strategy. Larger output is not likely to lead to greater revenue. Therefore, a concerted programme of diversification of Africa's economies, including intensified industrialization is called for. Not only will this improve our technological position, it will also reduce our dependence on a few commodities as the mainstay of our economies. The international community will, therefore, need to support this effort and also measures to make earnings from our commodities more remunerative.

(iii) Increased resource flows

90. We also launch an appeal to the international community to increase its financial assistance to Africa in a substantial manner to consolidate reform programmes and achieve the structural transformation of the economies.

MONITORING MACHINERY

91. It is this kind of New Agenda for Cooperation that needs to be forged in the aftermath of UN-PAAERD, where concrete actions in critical areas of mutual concern will be specifically implemented and monitored within the framework of the New Agenda.

92. To oversee the monitoring of and reporting on the implementation of the New Agenda, there is a need for a high-level monitoring committee to be instituted. We wish, therefore, to propose that a machinery should be established comprising the representatives of the ECA Conference of Ministers and the DAC of OECD in equal numbers plus a group of eminent persons from Africa and the international community, appointed in their personal capacity by the General Assembly on the recommendation of the ECA Conference of Ministers.

93. Reports on the implementation of this New Agenda for Cooperation should be prepared and submitted annually to the General Assembly through the ECA Conference of Ministers and ECOSOC.

94. The United Nations Inter-agency Task Force, which has done an excellent job on the monitoring of and reporting on the implementation of UN-PAAERD, should act as the technical advisory body of the Committee.

95. The United Nations and non-governmental organizations have an important role to play in the implementation of the New Agenda and extra efforts need to be made by them to provide support within this framework. Much needs to be done by the United Nations system in terms of coordination of approaches and operational modalities; increased mobilization of resources; assistance in improving the external environment and dealing effectively with the debt problem; easing conditionalities; offering assistance at more concessional terms and finding a solution to the multilateral debt; and the effective and efficient delivery of technical cooperation programmes.